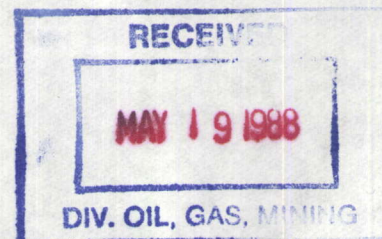


LAW OFFICES OF
NIELSEN & SENIOR
363 EAST MAIN
VERNAL, UTAH 84078
(801) 789-4908



TO

State of Utah
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center
Suite 350
Salt Lake City, UT 84180-1203

Attention: Frank Filas

DATE May 18, 1988

SUBJECT Ziegler Chemical &
Mineral Reclamation Mine
Plan - Collateral Bonding
and Indemnity Agreement

Dear Mr. Filas:

Enclosed find the Collateral Bonding and Indemnity Agreement with regard to the reclamation mine plan for Ziegler Chemical and Mineral, which has been executed by Mr. Ziegler. Attached to the Agreement are two maps indicating the seven mine sites which the bond covers.

If further information or clarification is needed, please contact me. Thank you very much for your assistance in this matter and hopefully it can be finalized in the near future.

Very truly yours,

NIELSEN & SENIOR

M Chapman
Mary Chapman
Legal Assistant

Enclosures

Note: The bond also covers the on site processing facilities. The map will be modified to include these sites. FF